MINUTES
of the
SECOND MEETING
of the
INFORMATION TECHNOLOGY OVERSIGHT COMMITTEE

June 30, 2005
Room 309, State Capitol

The second meeting of the Information Technology (IT) Oversight Committee for the 2005 interim was called to order by Representative Debbie A. Rodella, chair, on June 30, 2005 at 10:10 a.m. in Room 309 of the State Capitol.

Present	**Absent**
Rep. Debbie A. Rodella, chair	Sen. William H. Payne
Sen. John Arthur Smith, vice chair	Rep. Richard D. Vigil
Rep. Janice E. Arnold-Jones	
Sen. Vernon D. Asbill	
Sen. Linda M. Lopez	
Sen. Richard C. Martinez	
Rep. Thomas C. Taylor	
Rep. Luciano "Lucky" Varela	

Advisory Members

Sen. Rod Adair	Sen. Mark Boitano
Rep. Justine Fox-Young	Sen. Pete Campos
Rep. Ted Hobbs	Rep. Richard P. Cheney
Rep. Jeannette O. Wallace	Sen. Carlos R. Cisneros
	Sen. Phil A. Griego
	Sen. Gerald Ortiz y Pino

Staff
Raul E. Burciaga
Amy Chavez
Kathleen Dexter

Guests
The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Approval of Minutes
On motion duly made, seconded and adopted without objection, the minutes to the May 31, 2005 meeting were approved.

Work Plan and Meeting Schedule Development
Raul Burciaga reported on the Legislative Council's approval of the proposed work plan and meeting schedule, and noted that the joint meeting with the Los Alamos National Laboratory Oversight Committee originally scheduled for August 25 was moved to August 24.

Statewide Human Resource, Accounting, Reporting and Management System (SHARE)
Anthony Armijo, director of the Financial Control Division of the Department of Finance and Administration (DFA), and Roy Soto, state chief information officer designee, gave a status report on the SHARE project, an IT initiative to standardize accounting and reporting across state agencies. SHARE is now in the testing phase; user training, fit analyses, process analyses, final configuration and final engineering phases will all be completed in the coming year. Mr. Armijo stated that he believes the project will meet its July 2006 implementation deadline and that it will greatly improve work flow by improving the quality and utility of reports that state agencies can produce. Funding for SHARE totals approximately $28 million and comes from general fund and severance tax bond appropriations; grant funding from the Labor Department and the Department of Health (DOH); a fee charged to state agencies by the General Services Department (GSD) for benefits administration; and reimbursements from the Human Services Department and the Taxation and Revenue Department.

On general questioning from the committee, the presenters stated that:

•   the Department of Transportation is statutorily exempt from using SHARE, but DFA is trying to bring that department in;
•   MAXIMUS has the contract for integration services within the project;
•   legacy systems, other than certain industry-specific systems, will disappear following a brief overlap period once SHARE is implemented;
•   SHARE processes are based on best practices and can be modified if necessary; the system is also based on Generally Accepted Accounting Principles, or GAAP;
•   databases that cannot be migrated to SHARE will be maintained;
•   state agency personnel will begin using the system during the test phase; and
•   SHARE has a built-in security component that meets state security standards.

Status of IT Initiatives
David Goodrich and Aurora Sanchez, IT performance auditors for the Legislative Finance Committee (LFC), presented a status report on IT initiatives showing budgets and expenditures for each project and whether a project is on schedule, whether it has undergone independent validation and verification (IV&V), what phase it is in, the latest milestone achieved and whether it is flagged for further review. Concerns cited in the report include that some projects are not on schedule; some projects are potentially over budget; not all projects required IV&V in their contracts; some milestones have not been reached; and not all agencies are reporting to the Office of the Chief Information Officer (OCIO). The presenters recommended that the committee include LFC audit presentations at all meetings; the OCIO present its quarterly report to the committee as it is completed; and committee meetings include presentations from LFC staff on quarterly data validations.

On general questioning from the committee, the presenters stated that:

- $400,000 of a $700,000 appropriation for homeland security was spent by GSD to purchase MessageLabs, an email filtering software that is no longer being used due to the email consolidation initiative; the change in the expenditure appeared on the OCIO version of its monthly report but not on the legislature's version; and
- agencies must self-report to the OCIO monthly; if a report is not filed, the OCIO calls or visits the agency but has no authority to force compliance except to take the matter before the IT Commission (ITC) and have the project funding stopped.

In general discussion, committee members expressed concern that the legislature should be notified when an appropriation is not spent according to the original intent and that representatives from agencies with IT projects should be present at the committee's meetings to respond to questions. The chair directed committee staff to draft a letter to GSD requesting that it participate in future meetings, to schedule status reports from DOH for the October meeting and to schedule a presentation on homeland security for the July meeting.

OCIO Status Report
Mr. Soto introduced several state agency CIOs, including Bob Mayer from DOH, Kelly Messner from the Children, Youth and Families Department, Bob Piro from the Public Education Department (PED), Marlon Mackey from the Labor Department and Veronica Chavez-Neuman from the Department of Public Safety. He also reported that Dr. Stephen Easley is moving to the CIO position at the Office of Workforce Training and Development and that the Higher Education Department has not yet filled its CIO position pending appointment of a department secretary. The OCIO will be moving its office to Albuquerque in the next month so that the Higher Education Department can move into the OCIO's Santa Fe location. As a result of the move, the OCIO will lose at least three staff members. In general discussion, committee members expressed concern that it is critical to keep the OCIO in Santa Fe and that, with four CIOs in six years, it is difficult for the committee to maintain a communication link with the OCIO. Mr. Soto stated that OCIO is putting processes into place that will ensure continuity even if a CIO leaves.

Mr. Soto gave a presentation on reporting and certification required by the OCIO for IT projects, showing samples of the monthly self-reporting done by agencies and the information required in order to certify and release funds for a project. The OCIO now requires agencies to report all sources of project funding, not just funds received from the legislature.

On general questioning from the committee, Mr. Soto stated that:

- the Educational Retirement Board and the Gaming Control Board (GCB) projects will appear on the next quarterly report; the GCB has not been reporting to OCIO despite language in House Bill 2 that requires the board to report in order to receive its appropriation;

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- the OCIO needs a policy for decertifying projects that are not progressing;
- all appropriations for IT projects have one-year reversion dates;
- LFC has access to the OCIO database when it performs random audits;
- the OCIO is developing a social services eligibility architecture that would be used by all agencies and eliminate duplication;
- the OCIO has a crude asset management system with information on large system components but not small; a full asset management system costs $400,000 to $600,000, but the legislature appropriated only $50,000;
- the OCIO will issue guidelines to agencies on IV&V contract requirements; and
- the OCIO participated in committee meetings during the session to keep abreast of IT projects in agencies that had not gone through the OCIO.

The chair requested that Mr. Soto provide status reports to committee members ahead of future meetings and produce a list of all agency CIOs.

IT Commission — Status Report

Carroll Cagle, chair of the ITC, reported on ITC developments and stated that the commission fully supports OCIO efforts to require IV&V, get reporting on all funding sources and develop a decertification process. The ITC has reduced the number of its committees to two: one to focus on architecture and the other on project certification. The commission hosted an IT forum on cybersecurity at the New Mexico Institute of Mining and Technology that included presentations on the growing problem of identity theft. The commission will host additional forums as it continues to focus on IT consolidation, information security and project management. Mr. Cagle also emphasized a need for closer review of IT projects to ascertain whether they should be done at all.

Email Consolidation

Karen Baltzley, email consolidation project manager for GSD, and Mr. Soto reported that the email consolidation was completed in May with only minor issues arising. Nearly 21,000 email accounts were converted from the old system to the new, and Ms. Baltzley's office received fewer than 1,000 trouble calls in the week following the conversion, mostly related to passwords. All email filtering is done in-house using Sybari software, and spam email that does get through can be reported at reportspamemail@state.nm.us. The system provides a global address list for state employees, and it will use driver's license numbers, rather than social security numbers, as unique identifiers until SHARE is in place and assigns permanent unique identifiers to employees. Three agencies did not convert: the GCB, for reasons that are not major problems; the Vocational Rehabilitation Division of PED, for reasons having to do with social security funding it receives; and the Miners' Hospital, because it is a quasi-governmental entity. The OCIO will work with these agencies to help them overcome their obstacles. The cost for the new system is $.84 per user per month compared to $1.78 under the old system; a savings capture report will be available to the committee at a future meeting.

The committee discussed the possibility of extending its July meeting in Socorro to a second day, pending approval by the Legislative Council.

The meeting was adjourned at 3:50 p.m.